VZCZCXRO9689 PP RUEHAG RUEHBI RUEHCI RUEHLH RUEHPW RUEHROV DE RUEHAH #0901/01 1990921 ZNY CCCCC ZZH P 170921Z JUL 08 FM AMEMBASSY ASHGABAT TO RUEHC/SECSTATE WASHDC PRIORITY 1172 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUCNCIS/CIS COLLECTIVE RUCNMEM/EU MEMBER STATES COLLECTIVE RUEHAK/AMEMBASSY ANKARA 4031 RUEHBJ/AMEMBASSY BEIJING 1848 RUEHKO/AMEMBASSY TOKYO 1715 RUEHIT/AMCONSUL ISTANBUL 2284 RUCPDOC/DEPT OF COMMERCE WASHDC RHEHNSC/NSC WASHDC RHEBAAA/DEPT OF ENERGY WASHDC RHMFISS/CDR USCENTCOM MACDILL AFB FL RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RUEKJCS/JOINT STAFF WASHDC RUEKJCS/SECDEF WASHINGTON DC RUEHVEN/USMISSION USOSCE 2695

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000901

## SIPDIS

STATE FOR SCA/CEN, EEB PLEASE PASS TO USTDA DAN STEIN ENERGY FOR EKIMOFF/THOMPSON COMMERCE FOR HUEPER

E.O. 12958: DECL: 07/17/2018

TAGS: PGOV PREL EAID EPET TINT TX AZ

SUBJECT: TURKMENISTAN: DEPUTY FOREIGN MINISTER DISCUSSES
ENERGY AND TECHNOLOGY PROJECTS AND PROPOSALS

Classified By: Charge d'Affaires a.i. Sylvia Reed Curran for reasons 1. 4 (B) and (D).

11. (C) SUMMARY: During a July 16 meeting with the U.S. Trade and Development Agency (USTDA) Regional Director for Europe and Eurasia, Dan Stein, Deputy Minister of Foreign Affairs Hajiyev acknowledged that Turkmenistan must upgrade the knowledge of its petrochemical specialists. He also welcomed cooperation in the information technology and communications technology sectors, noting that President Berdimuhamedov takes a personal interest in improvements in these areas. Hajiyev said that Turkmenistan was still open to pipeline options for exporting its natural gas -- including to Azerbaijan -- but emphasized the importance of finding legal frameworks that all parties fully agree upon. Turkmenistan wants Azerbaijan to reciprocate by making some good-faith moves to prove that Azerbaijan is just as serious as Turkmenistan about cooperation on oil and gas. END SUMMARY.

FEEDBACK ON PENDING U.S. PROJECTS AND PROPOSALS IN THE ENERGY SECTOR

- 12. (SBU) U.S. Trade & Development Agency (USTDA) Regional Director for Europe and Eurasia Daniel Stein and U.S. Department of Energy (DOE) Director of the Office of Russian and Eurasian Affairs Lana Ekimoff met with First Deputy Minister of Foreign Affairs Wepa Hajiyev on July 16. Stein discussed his recent visit to Georgia and Azerbaijan and the interest in moving Turkmenistan's gas to Europe via a route that would bypass Russia. Stein and Ekimoff raised with Hajiyev several proposals and areas for potential cooperation.
- -- Stein raised the continuation of the USTDA oil and gas training program. Hajiyev responded that Turkmenistan needs to upgrade the knowledge of its specialists and is interested in expanding cooperation in this area.
- -- Stein asked about the status of a grant for a petrochemicals study. Hajiyev said that he felt confident

that Stein would receive a favorable reply and that Turkmenistan and the United States would continue their dialogue on this project. He added that Turkmenistan's agencies were in the process of reviewing the technical details. (NOTE: Minister of Oil and Gas Baymurat Hojamuhammedov told Stein in a subsequent meeting that the grant had received the Cabinet of Ministers' general approval, but that a few details still need to be worked out (septel). END NOTE.)

-- Stein asked about the potential for cooperation in the information technology and communications technology sectors. Hajiyev said that these sectors are of great interest to Berdimuhamedov, especially in terms of improving the education sector. Hajiyev said that Turkmenistan would be interested in information on potential projects in this area. (NOTE: A trans-Caspian fiber optic line apparently was an issue discussed in a recent meeting between Turkmenistan and Azerbaijan. END NOTE.)

HAJIYEV SPEAKS HIS MIND ON THE CASPIAN RELATIONSHIP...SORT OF

- 13. (C) Hajiyev said that pipelines are successful when they are built based on a reasonable potential for profit. Turkmenistan believes in its policy of selling gas at the border. Pipelines should be built by companies, which are motivated by economic benefits.
- 14. (C) He said that Turkmenistan is taking steps, including President Berdimuhamedov's recent trip to Baku and the

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proposal to hold a joint oil and gas conference in Baku in September, to improve its relationship with Azerbaijan. He added, however, "It is very frustrating when one person knocks on someone's door, but that person doesn't answer the door or even find the key." Referring to Stein's comment early in the meeting that during recent meetings in Baku, Azerbaijan's President Aliyev had acknowledged receiving a diplomatic note from Turkmenistan on development of the ACG field in the Caspian. Hajiyev said that all sides need to agree on this issue. He added that the diplomatic note needed to be looked at from more than one side's point of view.

15. (SBU) COMMENT: Deputy Chairman and Foreign Minister Rashid Meredov, who would normally have taken the meeting, is in Romania with President Berdimuhamedov. Hajiyev is a knowledgeable, capable official who will see that messages --including on Azerbaijan -- are accurately conveyed to his boss. His forthcoming attitude on potential USTDA assistance suggests that the Government of Turkmenistan considers USTDA's just-concluded hydrocarbon training programs beneficial and is eager for more programs. END COMMENT. CURRAN